

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 25, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2655 by Puente (Relating to certificates of public convenience and necessity for water service and sewer service.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 13 of the Water Code to remove the current requirement for a municipality to obtain landowner consent when requesting a Certificate of Convenience and Necessity (CCN) for areas outside the city's extraterritorial jurisdiction (ETJ). The bill would apply to CCN applications filed with the the Texas Commission on Environmental Quality (TCEQ) on or after the date the bill becomes effective, to proceedings to amend or revoke a CCN on or after the date the bill becomes effective, to CCNs issued to a municipality, regardless when it was issued; and a proceeding to amend or revoke a CCN held by a municipality, regardless of when the proceeding was initiated.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

The proposed changes to statute would require the TCEQ to revise rules, which could be done using existing resources.

Local Government Impact

According to TCEQ, many local governments already service areas outside their ETJ without having a CCN. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, DB